

## LETTER OF INTENT FOR JOINT VENTURE

(date)

[Name of Joint Venturer(s)]  
[Address(es) of Joint Venturer(s)]

### PERSONAL & CONFIDENTIAL

Dear \_\_\_\_\_:

**RE: Formation of Joint Venture**

This Letter of Intent sets forth the principal terms of a proposed joint venture between \_\_\_\_\_ and \_\_\_\_\_ [set forth names of parties] ("Co-Venturers") for the purpose of [describe the purpose(s) for which the joint venture is being established]. The specific terms of the transaction are as follows:

- 1. Corporation:** Newco will be incorporated under the laws of \_\_\_\_\_, and will be organized for the purpose of \_\_\_\_\_ (the "Joint Venture Purpose") and for engaging in all activities and transactions which are necessary in furtherance of the Joint Venture Purpose. Newco shall not engage in any other activity except as set forth in this paragraph. The head office of Newco will be located at \_\_\_\_\_.
- 2. Shareholders:** Each of the Co-Venturers shall acquire \_\_\_\_\_% of the total authorized shares of common stock of Newco. Each Co-Venturer shall provide the following as consideration in payment for such shares of common stock: [describe]
- 3. Management:** The Board of Directors of Newco shall consist of \_\_\_\_ directors who are nominees of [name of shareholder] and \_\_\_\_ directors who are nominees of [name of other shareholder]. The parties will execute a Shareholder Agreement setting forth the rights and obligations of the shareholders with respect to election of directors and other management matters.
- 4. Negotiations.** The parties agree to use good faith and their best efforts to conclude a Final Agreement, on or before \_\_\_\_\_. In the event that a Final Agreement is not signed on or before such date for any reason, the parties shall each have the right to terminate the negotiations without liability to the other party. Each of the Co-Venturers agrees with the other Co-Venturer(s) not to negotiate or enter into discussions with any other person or firm, or solicit or encourage, either directly or indirectly, or furnish information to any other person or firm, with respect to a similar business arrangement, until following any such termination.
- 5. Confidentiality.** The parties agree to maintain at all times as confidential: (i) information provided by any party to any other party, (ii) the terms of this letter, and (iii) the existence and content of any negotiations between the parties; except that both parties may (iv) inform advisors, counsel and employees with a need to know as each party deems necessary, and (v) make appropriate disclosures if required by applicable securities laws.

**THIS IS A 2-PAGE LETTER OF INTENT FORM.**